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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

2006 OCT 25 P 3: 06

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF:

DOCKET NO. S-20442A-06-0110

Mid America Energy, Inc.,
a Nevada Corporation
129 Haven Street, Unit A
Hendersonville, TN 37075

Mid America Oil & Gas
A Tennessee Limited Liability Company
2023 Earl Pearce Cir.
Mount Juliet, TN 37122-1328

Gary M. Milby a.k.a
Gary Moss Milby a/k/a
Gary M. Milby and
Wanda Milby
husband and wife
129 Haven Street, Unit A
Hendersonville, TN 37075

Jim and Rita Whatcott,
husband and wife
129 Haven Street, Unit A
Hendersonville, TN 37075

John and Lucille Blitz
husband and wife
129 Haven Street, Unit A
Hendersonville, TN 37075

Clinton Goff a/k/a Clint Goff,
an unmarried man
321 Victor Reiter Parkway
Portland, TN 37148

Warren Exploration, LLC
A Nevada Limited Liability Company
321 Victor-Reiter Parkway
Portland, TN 37148

Energy Marketing, Inc.
A Nevada Corporation
129 Haven Street, Unit A
Hendersonville, TN 37075

Respondents.

Arizona Corporation Commission
DOCKETED

OCT 25 2006

DOCKETED BY

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NINTH
PROCEDURAL ORDER

1 **BY THE COMMISSION:**

2 On February 28, 2006, the Securities Division ("Division") of the Arizona Corporation
3 Commission ("Commission") filed a Temporary Order to Cease and Desist ("T.O.") and a Notice of
4 Opportunity for Hearing ("Notice") against Mid America Energy, Inc. ("MAE"), Mid America Oil &
5 Gas ("MAO&G"), Gary M. Milby a/k/a Gary Moss Milby a/k/a Gary M. Milley and Jane Doe Milby,
6 husband and wife, Jim and Jane Doe Whatcott, husband and wife, John and Jane Doe Blitz, husband
7 and wife (collectively "Respondents"), in which the Division alleged that the Respondents committed
8 multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of
9 securities in the form of investment contracts. As a result of the T.O., the Respondents were
10 immediately ordered to cease and desist from violating the Act.

11 Respondents were duly served with copies of the Notice.

12 On March 27, 2006, Respondents filed a request for hearing. Answers were also filed.

13 On March 28, 2006, by Procedural Order, a pre-hearing conference was scheduled for April
14 20, 1006.

15 On April 20, 2006, at the pre-hearing, the Division and Respondents appeared with counsel.
16 After a brief discussion of the issues raised by the T.O. and Notice, the parties agreed that another
17 pre-hearing be scheduled.

18 On April 21, 2006, by Procedural Order, another pre-hearing conference was scheduled for
19 July 18, 2006.

20 On July 18, 2006, the Division and Respondents appeared through counsel. The Division
21 indicated that a parallel proceeding may be brought and the T.O. and Notice may be amended. The
22 Division and the parties stipulated to a hearing being scheduled in October. By Procedural Order, a
23 hearing was scheduled to commence on October 24, 2006.

24 On August 14, 2006, the Division filed a Motion to Amend the T.O. and Notice ("Motion").
25 Attached to the Motion as Exhibit "A" was a copy of the Proposed First Amended T.O. and Notice
26 which corrects the names of the spouses of certain previously named Respondents, names Clinton
27 Goff, Warren Exploration, L.L.C. ("Warren") and Energy Marketing, Inc. ("EMI") as additional
28 Respondents, and adds further allegations. There have been no objections filed to the Division's

1 Motion.

2 On September 6, 2006, by Procedural Order, the Division's Motion was granted and the
3 Division was ordered to file and serve the Amended T.O. and Notice upon all parties and the
4 additional named Respondents.

5 On September 8, 2006, the Division filed the Amended T.O. and Notice. The Division also
6 filed a Motion to Continue the Administrative Hearing previously scheduled for October 24 and 25,
7 2006, requesting that at least three days be allocated for any new hearing that is scheduled. The
8 Division further requested the exchange of witness lists and copies of exhibits by the parties be
9 delayed in light of the Division's Motion to Continue.

10 On September 12, 2006, by Procedural Order, the Division's Motion to Continue was granted
11 and the exchange of witness lists and copies of exhibits was ordered held in abeyance pending the
12 rescheduling of the hearing. The Division was further ordered to file certification of service upon the
13 additional parties to the proceeding after which further proceedings would be scheduled.

14 On September 22, 2006, counsel for MAE, MAO&G and Mr. and Mrs. Gary Milby filed what
15 was captioned "Notice of Withdrawal As Counsel of Record" ("Withdrawal Notice"). The
16 Withdrawal Notice neither complies with A.A.C. R14-3-104 nor E.R. 1.16. The Commission's Rule
17 and the Rules of Professional Conduct of the Arizona Supreme Court should be complied with to
18 properly withdraw from the proceeding.

19 On September 26, 2006, by Procedural Order, counsel for MAE, MAO&G and Mr. and Mrs.
20 Milby was ordered to file an application to withdraw which establishes good cause consistent with
21 A.A.C. R14-3-104 and E.R. 1.16 and to provide reasonable notice to their clients of their intended
22 action.

23 On September 27, 2006, counsel for MAE, MAO&G and Mr. and Mrs. Milby filed an
24 application to withdraw as counsel of record which meets the requirements of A.A.C. R14-3-104 and
25 E.R. 1.16.

26 On September 28, 2006, by Procedural Order, the request by counsel for MAE, MAO & G
27 and Mr. and Mrs. Milby was granted authorizing their withdrawal from the proceeding.

28 On October 10, 2006, the Division filed certification of service upon the additional

Respondents to the proceeding, Mr. Goff, Warren and EMI.

On October 23, 2006, Respondents Goff and Warren filed a request for a hearing.

Accordingly, a pre-hearing conference should be scheduled.

IT IS THEREFORE ORDERED that that pre-hearing conference shall be held on **November 28, 2006, at 9:30 a.m.**, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

Dated this 25th day of October, 2006

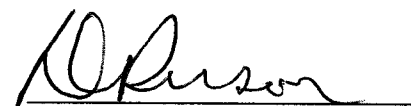

MARC E. STERN
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 25th day of October, 2006 to:

Mid-America Energy, Inc.
Mid-America Oil & Gas, LLC
Gary M. Milby
129 Haven Street, Unit A
Hendersonville, TN 37075

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